



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #105

Diesel Truck Idling Reduction Grant Program (DOA -- General Agency Provisions)

[LFB 2015-17 Budget Summary: Page 28, #23]

CURRENT LAW

The diesel truck idling reduction grant program, which is operated by the State Energy Office within DOA's Division of Energy Services, provides 50% matching grants to freight motor carriers headquartered in Wisconsin to purchase and install idling reduction units for long-haul truck tractors. The grant program has sunset dates of June 30, 2015, for funding of grants and December 31, 2016, for funding of program administration. Base funding for the program is \$1,074,900 SEG and 1.0 SEG position annually, funded from the petroleum inspection fund.

GOVERNOR

Extend the sunset date for the diesel truck idling reduction grant program from June 30, 2015, to June 30, 2020, and for program administration to December 31, 2021. Under the bill, the energy office would be transferred to the Public Service Commission. However, the diesel truck idling reduction grant program and position would remain at DOA under the newly combined energy services and housing division.

DISCUSSION POINTS

1. It should be noted that since the grant program is statutorily scheduled to end funding for grants on June 30, 2015, and scheduled to end funding for program administration on December 31, 2016, two years of grant funding and six months of salaries and fringe benefits and position authority for the program should have been removed from DOA's base budget as a non-continuing element through standard budget adjustments. If DOA wished to extend the sunset date, the

provision should have been added as a separate budget provision. Total funding for the program under the bill is \$1,076,100 SEG in 2015-16 and \$1,076,200 SEG in 2016-17 (including standard budget adjustments of \$700 SEG annually for full funding of continuing position salaries and fringe benefits and \$500 SEG in 2015-16 and \$600 SEG in 2016-17 for full funding of lease and directed moves costs).

2. The diesel truck idling reduction grant program, created under 2005 Act 25, is currently operated by the State Energy Office within the Department of Administration's Division of Energy Services. For 2014-15, the program is provided funding of \$1,000,000 SEG for grants, and \$73,700 SEG and 1.0 SEG position for program administration. Funding for the grant program is provided from the petroleum inspection fund.

3. The program aims to improve fuel efficiency and lower air pollution by providing grants to freight motor carriers headquartered in Wisconsin to purchase and install idling reduction units for long-haul truck tractors. According to the administration, the program sunset would be extended to reduce the cost of fuel to Wisconsin motor carriers and provide a comparative advantage relative to other states that do not assist transportation businesses in this manner.

4. The idling reduction units provide an alternative source of power to heat, cool, or provide electricity to the truck cab, or other parts of the vehicle, instead of using the vehicle's main drive engine to power those functions. Motor carriers are eligible to receive reimbursement of up to 50% of the cost to purchase and install idling reduction equipment. Motor carriers submit grant applications with an itemized price quote from a vendor. Grant awards are allocated through a randomized, computer-based lottery. Once an applicant is selected, the Division sends the applicant an award letter and contract, which must be returned with a signature. The equipment may then be purchased and installed. Self-installation is not an eligible grant expense unless approved by DOA.

5. In 2013-14, \$245,500 was awarded to 36 small fleet motor carriers for 52 units; and \$753,900 was awarded to 12 large fleet motor carriers for 181 units. The remaining \$600 was used to complete payment of a partial 2012-13 award resulting from an accounting error. An attachment to this paper identifies 2013-14 grants by recipient, size of fleet, headquartered city, and grant amount awarded.

6. If the Committee wishes to continue the program, it could approve the Governor's recommendation to extend the program sunset date to June 30, 2020, for grants provided and to December 31, 2021, for program administration. [Alternative 1]

7. Alternatively, if the Committee wishes to allow the program to end on June 30, 2015, for grants provided and December 31, 2016, for program administration, it could delete the provision. Under this alternative, the current law sunset dates would apply. In addition, \$1,000,000 SEG in 2015-16 and \$1,038,100 SEG in 2016-17 associated with the program would be deleted. Position authority associated with the program of 1.0 SEG position would be deleted in 2016-17, effective December 31, 2016. [Alternative 2]

ALTERNATIVES

1. Approve the Governor's recommendation to extend the diesel truck idling reduction grant program sunset date to June 30, 2020, for grants provided and to December 31, 2021, for program administration.

2. Delete the provision and funding and position authority associated with the program in accordance with current law sunset dates.

ALT 2	Change to Bill	
	Funding	Positions
SEG	- \$2,038,100	- 1.00

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Attachment

ATTACHMENT

Diesel Truck Idling Reduction Grant Awards, 2013-14

<u>Name</u>	<u>Headquarters</u>	<u>Number of Units</u>	<u>Award</u>
Small Fleet Awards (50 or Fewer Truck Tractors)			
BCP Transportation, Inc.	Deerfield	3	\$15,863
Zeller Transportation LLC	Hartford	3	15,863
Fuchs Trucking LLC	Sauk City	3	12,442
Blader Trucking Company, Inc.	Wautoma	2	10,575
Brakebush Transportation, Inc.	Westfield	2	10,575
E T Transport, LLC	Dodgeville	2	10,575
Countryside Auto Transport, Inc	Menasha	2	9,885
PJ Trucking	Pewaukee	2	9,544
Timon Perron Trucking, Inc	Campbellsport	2	9,195
Tim Neubauer Trucking, LLC	Sparta	2	8,795
Performance Transportation Corp	Seymour	2	8,788
Schugel, Inc	Tomah	2	7,900
Chris Jensen	River Falls	1	5,358
Furuseth Transport, LLC	Altoona	1	5,358
Great Lakes Logistix, LLC	Mondovi	1	5,358
Paul Peterson	River Falls	1	5,358
B & T Transport, LLC	Mauston	1	5,287
F.T.S.	Kewaskum	1	5,287
Goeman Trucking, Ltd	Slinger	1	5,287
K&S Carriers, LLC	Greenwood	1	5,287
Kevin Voigt Trucking, Inc	Black Creek	1	5,287
Service One Transportation, Inc	Plymouth	1	5,287
Weiler Transport, LLC	Unity	1	5,287
MW2P, LLC	Madison	1	5,097
A & T Enterprises, LLC	Bay City	1	4,632
O'Neil 5 Star, LLC	Ellsworth	1	4,632
Geiger & Geiger Trust	Whitelaw	1	4,598
Gundrum Trucking, Inc.	Slinger	1	4,598
Jim Piontek Trucking, Inc.	Green Bay	1	4,598
Seats Incorporated	Reedsburg	1	4,487
Jepson Transport, LLC	Clintonville	1	4,395
Davis Express, Inc.	Portage	1	4,350
All-Ways Transit, Inc.	Bloomer	1	4,338
Blume Farms Land & Cattle Co. Inc.	Dorchester	1	4,125
KAL Trucking, LLC	Black River Falls	1	3,872
Fox Valley Alfalfa Mill, Inc.	Hilbert	<u>2</u>	<u>3,290</u>
 Total Small Fleet Awards		52	\$245,453

ATTACHMENT (continued)

Diesel Truck Idling Reduction Grant Awards, 2013-14

<u>Name</u>	<u>Headquarters</u>	<u>Number of Units</u>	<u>Award</u>
Large Fleet Awards (51 or More Truck Tractors)			
Marten Transport Services, Ltd.	Mondovi	33	\$149,909
WEL Companies, Inc.	De Pere	27	113,650
Roehl Transport, Inc	Marshfield	29	76,792
H. O. Wolding, Inc.	Amherst	19	76,361
Americas Service Line, LLC	Green Bay	16	73,560
Bulk Logistics, Inc.	Milwaukee	15	71,085
Kreilkamp Trucking, Inc.	Allenton	12	56,868
V/S Midwest Carriers, Corp.	Kaukauna	9	40,338
Pioneer Transportation, Ltd.	Merrill	6	33,031
Hayes Transport	Verona	5	23,695
Karls Transport, Inc.	Antigo	6	21,754
John Veriha Trucking, Inc.	Marinette	<u>4</u>	<u>16,894</u>
Total Large Fleet Awards		181	\$753,937
Total All Awards		233	\$999,390